



# *SERVICE TAX*

# BUDGET 2014



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KHANDHAR MEHTA & SHAH



# SERVICE TAX

## BUDGET - 2014

- ◆ **Cenvat Credit to be availed within 6 months from the date of the invoice.**  
(w.e.f. 01-09-2014)
- ◆ **Service Tax Interest Rate increased from 18% to 24% & 30% for the delay beyond 6 months & 12 months respectively.**  
(w.e.f. 01-10-2014)
- ◆ **E-payment of service tax is made mandatory for all the assessees.**  
(w.e.f. 01-10-2014)
- ◆ **Service provided for transport of passenger by air-conditioned contract carriage will attract service tax @4.944%.**  
(w.e.f. 11-07-2014)
- ◆ **Renting of Immovable Property services received by an educational Institution would be chargeable to Service Tax.**  
(w.e.f. 11-07-2014)
- ◆ **Mandatory Pre deposit of 7.5% / 10% of the duty demanded or penalty imposed or both for filing an Appeal to Commissioner (Appeal) or Tribunal respectively.**  
(w.e.f. 11-07-2014)
- ◆ **Services of sale of space for advertisement other than print media are taxable @12.36%.**  
(w.e.f. Notified date after enactment of Finance Act)

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**Note from Publisher**

The presentation of this Book is unique in its kind, keeping in mind the need of readers and Service Tax assesseees. The Book contains various tabular forms covering the details about Service Tax.

We are sure our readers will benefit from this useful compilation.

We welcome your comments at [amish@kmsindia.in](mailto:amish@kmsindia.in)

# PREFACE

It is of immense pleasure to present the **Ninth Edition** of Service Tax Budget Book.

The present book is an attempt to present the complex issues of Service Tax so far as its taxability and taxable value is concerned in a simple and lucid style for the benefit of practicing professionals, company executives & small and medium enterprises.

The presentation of this Book is unique in its kind, keeping in mind the need of readers and Service Tax assesses. The Book contains various tabular forms covering the details about Service Tax. The book also contains commentary and necessary material on the changes brought out by the **Finance Bill, 2014**.

We are thankful to our Partner **CA. Rashmin Vaja** for meticulously carrying out required analysis in a very short time. We are thankful to our colleagues CA. Brijen Mehta, CA. Smruti Amin, CA. Pooja Sheth, CA. Pooja Shah and our Article students Mr. Hitesh Mundra, Mr. Harsh Shah and other Staff Members for helping us in bringing out our venture in time. We are also thankful to Mr. Kiran Shah for type setting and timely printing of the book.

We hope that the readers will find this publication of immense use and utility. Your suggestions for further improvement are heartily solicited.

Yours in Professional Fellowship,

**CA. Amish Khandhar**

**CA. Gautam Mehta**

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**10<sup>th</sup> July, 2014**  
**Ahmedabad.**

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## EFFECTIVE DATES OF AMENDMENTS PROPOSED BY FINANCE BILL - 2014

Sr.	Particulars	Effective Date
1.	<p><b>Amendment in Negative List under Section 66D of the Finance Act, 1994 :</b></p> <p>i. Service Tax @ 12.36% would be applicable on Selling of Space for Advertisement (except Print Media)</p> <ul style="list-style-type: none"> <li>- on internet websites,</li> <li>- out-of-home media</li> <li>- on film screen in theatres,</li> <li>- billboards,</li> <li>- buildings,</li> <li>- ATMs, tickets,</li> <li>- commercial publications,</li> <li>- aerial advertising, etc.</li> </ul> <p>ii. Service Tax to be levied on services by radio taxis or radio cabs, whether air-conditioned or not @ 4.944%.</p>	w.e.f. date to be notified
2.	<p><b>Exemptions Withdrawn / Service Tax Scope increased :</b></p> <p>i. Renting of Immovable property services received by an Educational Institution would be chargeable to Service Tax</p> <p>ii. Definition of “auxiliary education services” is omitted and list of services which are exempted is specified such as transportation of students, faculty and staff, catering, security, cleaning, housekeeping and services related to admission or conduct of examination.</p> <p>iii. Service Tax would be applicable on Transportation of passengers in air-conditioned contract carriage @4.944% [e.g. Neeta Volvo from Mumbai to Ahmedabad]</p> <p>iv. Exemption to services by Clinical Research Organization by way of technical testing or analysis of newly developed drugs, vaccines and herbal remedies on human participants is withdrawn.</p>	11-07-2014

Sr.	Particulars	Effective Date
	<p>v. Exemption in respect to services provided to Government, a local authority or a governmental authority is limited to services by way of water supply, public health, sanitation, solid waste management or slum improvement.</p>	
<p><b>3.</b></p>	<p><b>New Exemptions granted / Service Tax Scope Reduced :</b></p> <p>i. Services provided by operators of Common Bio-medical Waste Treatment Facility to a clinical establishment are being exempted.</p> <p>ii. The term “Commercial” removed from exemption to accommodation services by hotel, inn, guest house to extend the benefit to dharamshalas or ashrams who provide rooms for less than Rs. 1000/- per day.</p> <p>iii. Life micro-insurance schemes for poor, approved by IRDA, where sum assured does not exceed Rs. 50,000/- to be exempted from service tax.</p> <p>iv. Transportation of organic manure by vessel, rail or road (GTA) is exempted</p> <p>v. Services by way of loading, unloading, packing, storage or warehousing, transportation by vessel, rail or road (GTA) of cotton, ginned or baled is exempted.</p> <p>vi. Services received by RBI from outside India in relation to Foreign Exchange reserves management are being exempted.</p> <p>v. Service provided by a tour operator to a foreign tourist for tour conducted wholly outside India would be exempted from service tax.</p>	<p><b>11-07-2014</b></p>
<p><b>4.</b></p>	<p><b>Amendment in Valuation of Works Contract :</b></p> <p>i. Category 'B' and 'C' with service portion of 70% and 60% respectively are merged in one category with taxable service portion of 70%; effective rate of service tax would be 8.652% on this category other than 'Original Works'.</p>	<p><b>01-10-2014</b></p>
<p>6</p>		

Sr.	Particulars	Effective Date								
5.	<b>Amendment in Abatement :</b> i. Abatement of 60% would be available on services provided by air-conditioned contract carriage taxable from 11-07-2014; effective rate would be 4.944%. (as per point 2(iii) earlier)	11-07-2014								
	ii. Abatement of 60% would be available on services provided by radio taxis taxable from a date to be notified; effective rate would be 4.944%.	w.e.f. date to be notified								
	iii. Abatement in case of transport of goods by vessel to be increased from 50% to 60%; effective rate of service tax being reduced from 6.18% to 4.944%.	01-10-2014								
6.	<b>Retrospective Exemption</b> i. Services provided by Employees' State Insurance Corporation (ESIC) during the period prior to 01-07-2012 would be exempted from Service Tax.	01-07-2012								
7.	<b>Change in Rate of Interest and Payment of Service Tax</b> <b>i Increase in Rate of Interest on delayed payment of Service Tax</b> <table border="1" data-bbox="146 903 857 1206"> <thead> <tr> <th data-bbox="146 903 437 943">Extent of Delay</th> <th data-bbox="437 903 857 943">Simple Interest p.a.</th> </tr> </thead> <tbody> <tr> <td data-bbox="146 943 437 983">Upto 6 Months</td> <td data-bbox="437 943 857 983">18%</td> </tr> <tr> <td data-bbox="146 983 437 1054">More than 6 Months &amp; upto 12 Months</td> <td data-bbox="437 983 857 1054">18% for first six months and 24% for delay beyond six months</td> </tr> <tr> <td data-bbox="146 1054 437 1206">More than 12 Months</td> <td data-bbox="437 1054 857 1206">18% for first six months and 24% for second six months and 30% for period of delay beyond Twelve months</td> </tr> </tbody> </table> <p data-bbox="109 1225 857 1313"><b>Note :</b> A Concession of 3% on the above applicable rate of interest will be available to small service providers having turnover of less than Rs. 60 Lakhs.</p>	Extent of Delay	Simple Interest p.a.	Upto 6 Months	18%	More than 6 Months & upto 12 Months	18% for first six months and 24% for delay beyond six months	More than 12 Months	18% for first six months and 24% for second six months and 30% for period of delay beyond Twelve months	01-10-2014
	Extent of Delay	Simple Interest p.a.								
Upto 6 Months	18%									
More than 6 Months & upto 12 Months	18% for first six months and 24% for delay beyond six months									
More than 12 Months	18% for first six months and 24% for second six months and 30% for period of delay beyond Twelve months									
<b>ii. E-Payment of service tax is being made mandatory for all the assessee irrespective of Service Tax amount.</b>	01-10-2014									



Sr.	Particulars	Effective Date
8.	<p><b>Amendment in Reverse Charge Mechanism :</b></p> <p>i. Banking company or Financial Institutions or NBFCs are liable to pay service tax as a service receiver on Recovery Agent Services.</p> <p>ii. Company and Body Corporate is liable to pay service tax as a service receiver on services received from a director of the said company or body corporate.</p> <p>iii. In case of renting of motor vehicle, where abatement is not availed, 50% service tax to be paid by service provider and 50% service tax is to be paid by service receiver.</p>	11-07-2014
9.	<p><b>Amendment in Point of Taxation Rules, 2011</b></p> <p>i. Rule 7 of PoTR is amended to provide that point of taxation in case of reverse charge, will be the payment date or first day, after 3 months from the date of invoice, whichever is earlier.</p>	01-10-2014
10.	<p><b>Amendment in Place of Provision of Service Rules, 2012</b></p> <p>i. In case of temporary import of goods into India for repairs, Rule 4 will not apply if the goods are exported after repairs without being put to any use in the taxable territory. Provision for prescribing conditions for determination of place or provision of repair services is also omitted.</p> <p>ii. Definition of 'Intermediary' is amended to include the intermediary of goods as well. Hence, commission agent or consignment agent shall be covered in rule 9(c) of the PoPR Rules.</p> <p>iii. Services of hiring of Vessels (excluding yachts) and Aircraft is excluded from Rule 9 (d) and hence will be covered by general rule i.e. Rule 3.</p>	01-10-2014

Sr.	Particulars	Effective Date
11.	<b>Amendment in CENVAT Credit Rules, 2004</b>	
	i. CENVAT Credit on Input or Input services will have to be availed within 6 months of the date of issue of invoice or challan. Earlier no time limit was prescribed to avail CENVAT Credit.	01-09-2014
	ii. In case of full reverse charge, the condition of payment of invoice value for availing CENVAT Credit of input services is withdrawn. Hence, CENVAT Credit on input services can be taken on payment of Service Tax only. However, in case of partial reverse charge value as well as service tax are required to be paid for availing CENVAT Credit.	11-07-2014
	iii. Re-credit of CENVAT credit reversed on account of non-receipt of exports proceeds within the specified period, to be allowed, if such proceeds are received within one year from specified period.	11-07-2014
	iv. In case of GTA services, service receiver can avail abatement, without establishing the condition of non-availment of CENVAT Credit by service provider i.e. GTA.	11-07-2014
	v. CENVAT Credit is allowed on services received by a Rent-a-cab operator from another rent-a-cab operator.	01-10-2014
	vi. CENVAT Credit is allowed on services received by a Tour operator from another Tour operator.	01-10-2014
	vii. Rule 7 viz. Input Service Distribution has been amended in order to allow distribution of Input Service Credits to all Units, whether such services are used or not by the unit, in the ratio of their turnover of the previous period to total turnover of all the units.	01-04-2014
12.	<b>SEZ Procedures simplified</b>	11-07-2014
	i. Form A-2 to be issued by Central Excise Officer within 15 days from the date of receipt of Form A-1.	
	ii. Ab-Initio exemption would be available from the date list of services in Form A-1 is endorsed by the authorized officer of SEZ. However, such endorsed Form A-1 must be furnished to the Central Excise officer within 15 days of its verification.	

Sr.	Particulars	Effective Date
	<p>iii. Exemption will be available in case of pending issuance of Form A-2, only if authorization issued by Central Excise officer is furnished to service provider within 3 months from provision of service.</p> <p>iv. As regards services covered under reverse charge, the requirement of providing Service Tax Registration number of service provider is done away with.</p> <p>v. Service shall be treated as exclusively used for SEZ operations, if the invoice is in the name of SEZ unit / developer and such service is exclusively used for authorized operations of SEZ.</p>	11-07-2014
13	<p><b>Amendments in Finance Act, 1994</b></p> <p>i. Section 73 to be amended to prescribe time limit for completion of adjudications; time limit to be followed, as far as possible.</p> <p>ii. Section 80 is being amended to omit the reference to Section 78(1). It removes the power to waive 50% penalty imposable in case of service tax not paid on account of fraud, suppression and willful misstatement.</p> <p>iii. Section 82(1) is amended so that Joint Commissioner or Additional Commissioner can himself or can authorize any Central Excise Officer to search and seize.</p> <p>iv. Section 87 is amended to recover dues of a predecessor from the assets of a successor purchased from the predecessor.</p> <p>v. Section 94 to be amended to obtain power to make rule to impose upon assessee for furnishing information, keeping records, to withdraw facilities, impose restrictions, to check evasion of duty or misuse of CENVAT credit and to issue instructions.</p>	w.e.f. date of Presidential assent

Sr.	Particulars	Effective Date								
14.	<p><b>Amendments in Excise Provisions as made applicable to Service Tax</b></p> <p>i. Section 5A(2): Any explanation inserted in a notification at any time within one year of issue of notification, clarifying the scope or applicability, it shall have effect from the date of issue of such notification.</p> <p>ii. Section 15A: This new section inserted in Central Excise to stipulate that third party sources furnish periodic information.</p> <p>iii. Section 15B: This new section prescribes that failure to provide information under section 15A of Central Excise Act, would attract penalty</p> <p>iv. Section 35F: This section prescribes mandatory pre-deposit as under</p> <table border="1" data-bbox="138 655 857 938"> <thead> <tr> <th></th> <th>Mandatory pre-deposit</th> </tr> </thead> <tbody> <tr> <td>For filing of appeal before Commissioner (Appeals)</td> <td>7.5% of the duty demanded or penalty imposed or both</td> </tr> <tr> <td>For filing of appeal before Tribunal at first stage</td> <td>7.5% of the duty demanded or penalty imposed or both</td> </tr> <tr> <td>For filing of appeal before Tribunal at second stage</td> <td>10% of the duty demanded or penalty imposed or both</td> </tr> </tbody> </table>		Mandatory pre-deposit	For filing of appeal before Commissioner (Appeals)	7.5% of the duty demanded or penalty imposed or both	For filing of appeal before Tribunal at first stage	7.5% of the duty demanded or penalty imposed or both	For filing of appeal before Tribunal at second stage	10% of the duty demanded or penalty imposed or both	w.e.f. date to be notified
	Mandatory pre-deposit									
For filing of appeal before Commissioner (Appeals)	7.5% of the duty demanded or penalty imposed or both									
For filing of appeal before Tribunal at first stage	7.5% of the duty demanded or penalty imposed or both									
For filing of appeal before Tribunal at second stage	10% of the duty demanded or penalty imposed or both									
14.	<p><b>Advance Ruling</b></p> <p>i. The resident private limited company is being included as a class of persons eligible to make an application for Advance Ruling in Service Tax.</p>	11-07-2014								

**A Statistics of Tax Revenue in India (Rs. in Crores)**Source : [www.indiabudget.nic.in](http://www.indiabudget.nic.in)

Revenue	2010-11	2011-12	2012-13	2013-14	2014-15 (Est.)
Gross Tax Revenue	7,93,072	8,89,176	10,36,234	11,58,905	13,64,524
Corporation Tax	2,98,688	3,22,816	3,56,326	3,93,677	4,51,005
Income Tax	1,46,587	1,70,342	2,01,486	2,41,691	2,84,266
Customs	1,35,813	1,49,328	1,65,346	1,75,056	2,01,819
Central Excise	1,38,299	1,45,608	1,76,535	1,79,537	2,07,110
<b>Service Tax</b>	<b>71,016</b>	<b>97,509</b>	<b>1,32,601</b>	<b>1,64,927</b>	<b>2,15,973</b>
Wealth Tax	687	788	846	950	950
Other Taxes	1,982	2,785	3,094	3,067	3,401

**B Rates of Service Tax**

Period	Rate of Tax
01-07-1994 to 13-05-2003	5%
14-05-2003 to 09-09-2004	8%
10-09-2004 to 17-04-2006	10.20% (ST+EC)
18-04-2006 to 10-05-2007	12.24% (ST+EC)
11-05-2007 to 23-02-2009	12.36% (ST+EC+SHEC)
24-02-2009 to 31-03-2012	10.30% (ST+EC+SHEC)
<b>01-04-2012 onwards</b>	<b>12.36% (ST+EC+SHEC)</b>

*EC = Education Cess**SHEC = Secondary and Higher Education Cess***C Basic Exemption Limit**

Period	Basic Exemption Limit
01-07-1994 to 31-03-2005	No Limit
01-04-2005 to 31-03-2007	Rs. 4 Lakhs
01-04-2007 to 31-03-2008	Rs. 8 Lakhs
<b>01-04-2008 onwards</b>	<b>Rs. 10 Lakhs</b>

**D****Rates of Interest**

Period	Rate of Interest	
01-07-1994 to 15-07-2001	1.5% p.m. and part thereof	
16-07-2001 to 15-08-2002	24% p.a.	
16-08-2002 to 09-09-2004	15% p.a.	
10-09-2004 to 31-03-2011	13% p.a.	
01-04-2011 to 30-09-2014	18% p.a.	
	15% p.a. (for assesseees having turnover upto Rs.60 Lakhs)	
<b>01-10-2014 onwards*</b>	<b>18% p.a.</b>	Delay for first 6 months
	<b>24% p.a.</b>	Delay from 7 <sup>th</sup> month to 12 months
	<b>30% p.a.</b>	Delay for the period beyond 1 year

\* 3% concession in interest rate for assesseees having turnover upto Rs.60 Lakhs

**E****Works Contract Rate**

Period		Rate of Tax	
01-06-2007 to 28-02-2008		2.06%	
01-03-2008 to 31-03-2012		4.12%	
01-04-2012 to 30-06-2012		4.944%	
		<b>01-07-2012 to 30-09-2014</b>	<b>01-10-2014 onwards</b>
1)	On Service Portion in execution of Works Contract (Total Amount less value of Goods involved)	12.36%	12.36%
2)	On Total Amount - if		
a)	Original Works	4.944%	4.944%
b)	Maintenance/Repair/Reconditioning of any goods	8.652%	<b>8.652%</b>
c)	Maintenance/Repair/Completion & finishing services of immovable property	7.416%	

**F****Change in Special Rates of Service Tax** (w.e.f. 01-04-2012)

Sr. No.	Nature of Services	New Rate
1.	Life insurance	3.0% of gross amount of premium charged from Policy holder in 1st year.
		1.5% of gross amount of premium charged from Policy holder in subsequent years.
2.	Sale or purchase of foreign currency	Gross amount of currency exchanged is Rs. 1,00,000/-
		Rs. 30/- or 0.12% of amount of currency exchanged whichever is higher
		Gross amount of currency exchanged is Rs. 1,00,000/- to Rs. 10,00,000/-
		Rs. 120/- and 0.06% on amount of currency exchanged between Rs. 1,00,000/- to Rs. 10,00,000/-
		Gross amount of currency exchanged exceeds Rs. 10,00,000
		Rs. 660/- and 0.12% on currency exchanged exceeding Rs. 10,00,000/- OR Rs. 6000/- whichever is lower.
3.	Distributor or selling agent of lotteries	Guaranteed prize pay out is more than 80% - Rs. 7,000/- per payout of Rs. 10 Lacs or part thereof.
		Guaranteed prize pay out less than 80%-Rs. 11,000/- per payout of Rs. 10 Lacs or part thereof.
4.	Air travel agent service	Domestic booking - 0.6% of basic fare
		International booking - 1.2% of basic fare

**G****Due Date for Return filing**

For the Half Year	To be Filed by
1st April to 30th September	25th October
1st October to 31st March	25th April

**Revision of Service Tax Return**

ST-3 can be revised and submitted again **within 90 days** from the date of filing of **original return**.

**Due Date for Return filing for Input Service Distributor (ISD)**

For the Half Year	To be Filed by
1st April to 30th September	31st October
1st October to 31st March	30th April

## Service Tax Payment Dates

### Individuals / Proprietorship / Partnership Firms / LLPs

Payable on Amount received during the quarter	Due Date (up to 30-09-2014)		Due Date (from 01-10-2014)
	Manual	E-payment *	E-payment *
1st April to 30th June	5th July	6th July	6th July
1st July to 30 th Sept.	5th October	6th October	6th October
1st Oct. to 31st Dec.	5th January	6th January	6th January
<b>1st Jan to 31st March</b>	<b>31st March</b>	<b>31st March</b>	<b>31st March</b>

### Assessees other than Individuals / Proprietorship / Partnership Firms / LLPs

Payable on Amount received during the Month	Due Date (up to 30-09-2014)		Due Date (from 01-10-2014)
	Manual	E-payment *	E-payment *
April	5th May	6th May	6th May
May	5th June	6th June	6th June
June	5th July	6th July	6th July
July	5th August	6th August	6th August
August	5th September	6th September	6th September
September	5th October	6th October	6th October
October	5th November	6th November	6th November
November	5th December	6th December	6th December
December	5th January	6th January	6th January
January	5th February	6th February	6th February
February	5th March	6th March	6th March
<b>March</b>	<b>31st March</b>	<b>31st March</b>	<b>31st March</b>

\* E-Payment will be considered valid up to 8.00 pm of the respective day.

**Note :** (1) E-Payment of Service Tax is mandatory for the assesseees who have paid service tax in excess of Rs. 10 Lakhs (including CENVAT) in the previous financial year. (w.e.f. 01-04-2010 to 30-09-2014)  
(2) E-Payment of Service Tax is mandatory for ALL assesseees w.e.f. 01-10-2014.



## Table of Abatements

(w.e.f. 01-07-2012 to 30-09-2014)

Sr. No. of Noti. 26/2012	Name of the Service	Abatement	Taxable
1.	Financial leasing including Hire Purchase	90%	10%
2.	Transport of goods by Rail	70%	30%
3.	Transport of passengers by Rail	70%	30%
4.	Bundled service by way of supply of food or any drink, in a premises (including hotel, convention center, club, pandal, shamiana or any other place, specially arranged for organizing a function) together with renting of such premises	30% *	70% *
5.	Transport of Passengers by Air	60% **	40% **
6.	Renting of hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes	40% **	60% **
7.	Services of Goods Transport Agency in relation to transportation of goods.	75% #	25% #
8.	Services provided in relation to chit	30% #	70% #
9.	Renting of any motor vehicle designed to carry passengers	60% #	40% #
10.	Transport of goods in a Vessel	50% #	50% #
11.	Services by a tour operator in relation to,-		
	(i) Package tour	75% #	25% #
	(ii) Only arranging, booking, accommodation	90% #	10% #
	(iii) Services other than services specified in (i) & (ii) above	60% #	40% #
12.	(i) For High end Residential unit having carpet area more than 2000 sq.ft. <b>OR</b> where the amount charged is Rs.1 crore or more [w.e.f. 08-05-2013]	70% ^	30% ^
	(ii) Construction of other than High end Residential unit	75% ^	25% ^
	(iii) Construction of Commercial Complex, Building, Civil Structure or part thereof [w.e.f.01-03-2013]	70% ^	30% ^
Service Tax (Determination of Value) Rules, 2006	Service portion in the execution of Works Contract		
	a) Original Works	60% ^	40% ^
	b) Maintenance, Repair etc of any goods	30% ^	70% ^
	c) Others not covered by (a) & (b)	40% ^	60% ^
	Service portion in an activity wherein food or any drink is		
a) supplied at a Restaurant	60% *	40% *	
b) supplied in Outdoor Catering	40% *	60% *	

\* CENVAT credit on any goods classifiable under Chapters 1 to 22 (food articles) of the Central Excise Tariff Act has not been taken.

\*\* CENVAT credit on inputs and capital goods has not been taken.

# CENVAT credit on inputs, capital goods and input services has not been taken.

^ CENVAT credit on inputs used for providing the taxable service has not been taken.

**Note :** To avail abatement in Entry No. 12 value of land must be included in the amount charged.

## Table of New Abatements

(w.e.f. 01-10-2014)

Sr. No. of Noti. 26/2012	Name of the Service	Abatement	Taxable
1.	Financial leasing including Hire Purchase	90%	10%
2.	Transport of goods by Rail	70%	30%
3.	Transport of passengers by Rail	70%	30%
4.	Bundled service by way of supply of food or any drink, in a premises (including hotel, convention center, club, pandal, shamiana or any other place, specially arranged for organizing a function) together with renting of such premises	30% *	70% *
5.	Transport of Passengers by Air	60% **	40% **
6.	Renting of hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes	40% **	60% **
7.	Services of Goods Transport Agency in relation to transportation of goods.	75% #	25% #
8.	Services provided in relation to chit	30% #	70% #
9.	<b>Renting of a Motor cab [w.e.f. 01-10-2014]</b>	60% @	40% @
9A.	<b>(i) Transport of passengers by a Contract Carriage (w.e.f.11-07-2014)</b>	60% #	40% #
	<b>(ii) Transport of passengers by a radio taxi (w.e.f. a notified date after enactment of Finance Bill, 2014)</b>	60% #	40% #
10.	<b>Transport of goods in a Vessel [w.e.f. 01-10-2014]</b>	<b>60% #</b>	<b>40% #</b>
11.	Services by a tour operator in relation to,- (i) Packaged Tour (ii) Only arranging, booking, accommodation (iii) Services other than services specified in (i) & (ii) above	75% \$ 90% \$ 60% \$	25% \$ 10% \$ 40% \$
12.	(i) For High end Residential unit having carpet area more than 2000 sq.ft. <b>OR</b> where the amount charged is Rs.1 crore or more (ii) Construction of other than High end Residential unit (iii) Construction of Commercial Complex / Building / Civil Structure	<b>70%</b> ^ 75% ^ <b>70%</b> ^	<b>30%</b> ^ 25% ^ <b>30%</b> ^
Service Tax (Determination of Value) Rules, 2006	<b>Service portion in the execution of Works Contract</b>		
	a) Original Works	60% ^	40% ^
	b) (i) Maintenance/Repair/Reconditioning etc. of any goods (ii) Maintenance/Repair/Completion & Finishing service in relation to Immovable property <b>[w.e.f. 01-10-2014]</b>	30% ^ <b>30%</b> ^	70% ^ <b>70%</b> ^
	Service portion in an activity wherein food or any drink is		
a) supplied at a Restaurant	60% *	40% *	
b) supplied in Outdoor Catering	40% *	60% *	

\* CENVAT credit on any goods classifiable under Chapters 1 to 22 (food articles) of the Central Excise Tariff Act has not been taken.

\*\* CENVAT credit on inputs and capital goods has not been taken.

# CENVAT credit on inputs, capital goods and input services has not been taken.

^ CENVAT credit on inputs used for providing the taxable service has not been taken.

@ CENVAT credit on inputs, capital goods, input services has not been taken. [CENVAT credit of input service of Renting of Motor cab can be taken by service provider in similar line of business subject to a maximum of 40% of the service tax of the value of service received].

\$ CENVAT credit on inputs, capital goods, input services has not been taken. [CENVAT credit of input service of Tour Operator can be taken by service provider in similar line of business].

**Note :** To avail abatement in Entry No. 12, value of land must be included in the amount charged.

## Service Tax Forms

Sr. No.	Liability	When and by whom	Time Period	Form
1.	Service Tax Registration	At the time of starting of business	within 30 days from the date of starting of business or reaching Rs.9 Lacs taxable T/O or commencement of new levy	ST-1
2.	Service Tax Registration Certificate	To be issued by Service Tax Department	within 7 days from the date of application	ST-2
3.	Service Tax Return	Half Yearly	within 25 days after completion of half year	ST-3
			25th October	
			25th April	
4.	Appeal to Commissioner of Central Excise	Assessee	within 2 months from the date of receipt of order	ST-4
5.	Appeal to CESTAT	Assessee	within 3 months from the date of receipt of order	ST-5
6.	Cross Objections	Assessee / Department	within 45 days from the date of receipt of order	ST-6
7.	Appeal to CESTAT	Department	within 4 months from the date of receipt of order	ST-7
8.	Payment of Service Tax	Corporate Assessee	within 5 days from the end of month	GAR-7 challan*
			within 6 days from the end of month in case of e-payment	
9.	Payment of Service Tax	Non Corporate Assessee	within 5 days from the end of quarter	GAR-7 challan*
			within 6 days from the end of quarter in case of e-payment	

\* GAR-7 shall not be relevant w.e.f. 01-10-2014 since e-payment is mandatory for all assessees.

Section	Nature of default	Amount of penalty
<b>70</b>	Fees for late filing of Return. - Delay upto 15 days - Delay of more than 15 and upto 30 days - Delay of more than 30 days	Rs. 500 Rs. 1000 Rs. 1000 + Rs. 100 for each day but not exceeding Rs. 20,000
<b>76</b>	Failure to pay service tax	1% of the tax p.m. or Rs 100 per day limited to 50% of tax*
<b>77(1)(a)</b>	Penalty for default in obtaining Service Tax Registration	Upto Rs 10,000
<b>77(1)(b)</b>	Failure to keep, maintain or retain books of account and other documents required	Upto Rs 10,000
<b>77(1)(c)</b>	Assessee fails to : (i) furnish information called by an officer; or (ii) produce documents called for by a Central Excise Officer; or (iii) appear before the Central Excise Officer, when issued with a summon for appearance to give evidence or to produce a document in an inquiry.	Upto Rs 10,000 or Rs 200 per day till failure, whichever is higher.
<b>77(1)(d)</b>	Assessee fails to pay service tax electronically	Upto Rs 10,000
<b>77(1)(e)</b>	Assessee issues invoice in accordance with provisions of the Act or rules made thereunder, with incorrect or incomplete details or fails to account for an invoice in his books of account	Upto Rs 10,000
<b>77(2)</b>	Penalty for contravention of any provision for which no penalty is provided	Not exceeding Rs 10,000
<b>78</b>	Penalty for suppressing value of taxable service	50% of tax amount (If records captured are true**) 100% of tax amount (If not recorded in books <sup>^</sup> )
<b>78A</b>	Penalty on director, manager, secretary or any other officer of a company for specified contraventions [w.e.f. 10-05-2013]	Upto Rs. 1,00,000

\* Section 73(3)

Totally mitigated if Service Tax and interest paid before issue of Show Cause Notice (SCN)

\*\* Mitigation (a) 1% per month; maximum upto 25% if all dues paid before SCN : Section 73 (4A)

(b) 25% of tax if all dues paid within 30 days of issuance of SCN

(90 days for small assesseees) : Proviso to Section 78

<sup>^</sup> No mitigation



# Complete Reverse Charge Mechanism

(w.e.f. 01-07-2012)

Sr. No.	Description of a Service	Service Tax Payable by Service Provider	Service Tax Payable by Service Receiver
1.	Insurance Agent Service to any person carrying on Insurance business	NIL	100%
2.	Goods Transport Agency Service	NIL	100%
3.	Sponsorship Service to any body corporate or partnership firm located in taxable territory	NIL	100%
4.	Arbitral Tribunal Service to any business entity	NIL	100%
5.	Services of Individual Advocate or a Firm of Advocates to any business entity	NIL	100%
6.	Services by Government or local authority by way of support services to any business entity	NIL	100%
7.	Services by any person who is located in a non-taxable territory and received by any person located in the taxable territory	NIL	100%
8.	Services by Director to a Company / <b>[Body Corporate]*</b> (other than employee-employer relationship)	NIL	100%
9.	<b>Services by a Recovery Agent to a Banking Company / Financial Institution / NBFC [w.e.f. 11-07-2014]</b>	<b>NIL</b>	<b>100%</b>

\* w.e.f. 11-07-2014

## Partial Reverse Charge Mechanism (w.e.f. 01-07-2012)

Sr. No.	Description of a Service	Notes	Service Tax Payable by Service Provider	Service Tax Payable by Service Receiver
1.	(a) Renting of a Motor Vehicle designed to carry passengers (where abatement is availed)	1 & 2	NIL	100%
	(b) Renting of a Motor Vehicle designed to carry passengers (where abatement is not availed) [w.e.f. 01-07-2012 to 30-09-2014] <b>[w.e.f. 01-10-2014 onwards]</b>		60% <b>50%</b>	40% <b>50%</b>
2.	Supply of Manpower Service	1	25%	75%
3.	Works Contract Service	1	50%	50%
4.	Security Services [w.e.f. 07-08-2012]	1	25%	75%

### NOTES:

- The service provider should be an individual / HUF / Partnership Firm / AOP; and
  - The service recipient should be a body corporate.
- In case of services of renting of a motor vehicle, the service recipient should be any person who is not engaged in similar line of business.

## N Applicability of Partial Reverse Charge Mechanism

(w.e.f. 01-07-2012)

Particulars	Category of Person	Service Provider		Service Receiver	
		Non - Body Corporate	Body Corporate	Non - Body Corporate	Body Corporate
Service Provider	Non - Body Corporate	NA	NA	NO	YES
	Body Corporate	NA	NA	NO	NO
Service Receiver	Non - Body Corporate	NO	NO	NA	NA
	Body Corporate	YES	NO	NA	NA

**Non - Body Corporate = Individual / Firm / Trust / AOP / BOI / Society**

## O Frequency Norms of Service Tax Audit

Sr. No.	Quantum of Service Tax Paid (Either Cash or CENVAT Credit)	Frequency of Audit
A	Above Rs. 3 crores	Once in every year
B	More than Rs.1 crore and upto Rs.3 crore	Once in every two years
C	More than Rs.25 lacs and upto Rs.1 crore	Once in every five years
D	Upto 25 lacs	2% of tax payer to be audited every year

## P Filing Fees for Appeal to Appellate Tribunal (CESTAT)

Service Tax, Interest and Penalty involved	Filing Fees
Rs. 5,00,000 or less	Rs. 1,000
Rs. 5,00,000 to Rs. 50,00,000	Rs. 5,000
In excess of Rs. 50,00,000	Rs.10,000

**Q****Definition of Service**

(w.e.f. 01-07-2012)

**Section 65B (44) defines 'Services' as :**

- any activity carried out by a person for another **for consideration**
- and includes a **declared service**.

**But does not include :**

- Mere transfer in title by way of sale/gift or in any manner of goods & immovable property
- Deemed Sale under clause (29A) of Article 366 of the Constitution
- Transaction in Money or Actionable Claim
- Employment service provided by an employee to employer
- Fees payable to court/tribunal established under any law

**R****Declared Services**

(w.e.f. 01-07-2012)

1.	Renting of immovable property;
2.	Construction of a complex, building, civil structure or a part thereof, including a complex or building intended for sale to a buyer, wholly or partly, except where the entire consideration is received after issuance of completion-certificate by the competent authority.
3.	Temporary transfer or permitting the use or enjoyment of any intellectual property right;
4.	Development, design, programming, customisation, adaptation, upgradation, enhancement, implementation of information technology software;
5.	Agreeing to the obligation to refrain from an act, or to tolerate an act or a situation, or to do an act;
6.	Transfer of goods by way of hiring, leasing, licensing or in any such manner without transfer of right to use such goods;
7.	Activities in relation to delivery of goods on hire purchase or any system of payment by instalments;
8.	Service portion in the execution of a works contract;
9.	Service portion in an activity wherein goods, being food or any other article of human consumption or any drink (whether or not intoxicating) is supplied in any manner as a part of the activity.

(1)	Services by Government or a Local authority excluding the following services to the extent they are not covered elsewhere -
(i)	Services by the Department of Posts by way of speed post, express parcel post, life insurance and agency services provided to a person other than Government;
(ii)	Services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport;
(iii)	Transport of goods or passengers; or
(iv)	Support Services, other than services covered under clauses (i) to (iii) above, provided to business entities;
(2)	Services by the Reserve Bank of India;
(3)	Services by a Foreign Diplomatic Mission located in India;
(4)	Services relating to agriculture or agricultural produce by way of -
(i)	agricultural operations directly related to production of any agricultural produce including cultivation, harvesting, threshing, plant protection or testing;
(ii)	supply of farm labour;
(iii)	processes carried out at an agricultural farm including tending, pruning, cutting, harvesting, drying, cleaning, trimming, sun drying, fumigating, curing, sorting, grading, cooling or bulk packaging and such like operations which do not alter the essential characteristics of agricultural produce but make it only marketable for the primary market;
(iv)	renting or leasing of agro machinery or vacant land with or without a structure incidental to its use;
(v)	loading, unloading, packing, storage or warehousing of agricultural produce;
(vi)	agricultural extension services;
(vii)	services by any Agricultural Produce Marketing Committee or Board or services provided by a commission agent for sale or purchase of agricultural produce;
(5)	Trading of goods;
(6)	Any process amounting to manufacture or production of goods;
(7)	Selling of space or time slots for advertisements other than advertisements broadcast by radio or television in <b>print media*</b> ;
(8)	Service by way of access to a road or a bridge on payment of toll charges;
(9)	Betting, Gambling or Lottery;
(10)	Admission to Entertainment Events or access to Amusement facilities;

\* w.e.f. enactment of the Finance Bill, 2014



## Negative List of Services

(w.e.f. 01-07-2012)

(11)	Transmission or distribution of electricity by an electricity transmission or distribution utility;
(12)	Services by way of -
(i)	Pre-school education and education up to higher secondary school or equivalent;
(ii)	education as a part of a curriculum for obtaining a qualification recognised by any law for the time being in force;
(iii)	education as a part of an approved vocational education course;
(13)	services by way of renting of residential dwelling for use as residence;
(14)	services by way of -
(i)	extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount;
(ii)	inter se sale or purchase of foreign currency amongst banks or authorised dealers of foreign exchange or amongst banks and such dealers;
(15)	service of transportation of passengers, with or without accompanied belongings, by
(i)	a stage carriage;
(ii)	railways in a class other than - (A) first class; or (B) an airconditioned coach;
(iii)	metro, monorail or tramway;
(iv)	inland waterways;
(v)	public transport, other than predominantly for tourism purpose, in a vessel, between places located in India; and
(vi)	metered cabs, <del>radio taxis</del> * or auto rickshaws;
(16)	services by way of transportation of goods -
(i)	by road except the services of - (A) a goods transportation agency; or (B) a courier agency;
(ii)	by an aircraft or a vessel from a place outside India upto the customs station of clearance or
(iii)	by inland waterways;
(17)	funeral, burial, crematorium or mortuary services including transportation of the deceased.

\* w.e.f. enactment of the Finance Bill, 2014

**(A) Services Provided by Specified Category of Service providers**

1. Clinical establishment in relation to Health Care.
2. **Service by operator of Common Bio-Medical Waste Treatment Facility to a clinical establishment by way of treatment or disposal of bio-medical waste or other incidental processes [w.e.f. 11-07-2014].**
3. **Service by an educational institution to its students, staff or faculty [w.e.f. 11-07-2014]**
2. Veterinary clinic in relation to healthcare of animals or birds.
3. Charitable Institution registered under section 12AA of Income Tax Act, 1961.
4. An Individual as an advocate or representational services before arbitral tribunal to any person other than business entity.
5. Performing artist in folk or classical art forms of music, dance or theatre, excluding services provided as a brand ambassador.
6. Independent Journalist, Press Trust of India or United News of India in relation to collecting or providing of news.
7. Restaurant, eating joint or a mess other than those having air-conditioning facility.
8. An incubate upto a total business turnover of Rs. 50 Lakhs in a financial year.
9. An unincorporated body or an entity registered as society to own members by way or reimbursement of charge or share of contribution as a trade union.
10. Service provided by
  - (i) a sub-broker or an authorized person to a stock broker;
  - (ii) an authorized person to a member of a commodity exchange;
  - (iii) a mutual fund agent or distributor to mutual fund or asset management company for distribution or marketing of mutual fund;
  - (iv) a selling or marketing agent of lottery tickets to a distributor or a selling agent;
  - (v) a selling agent or a distributor of SIM cards or recharge coupon vouchers; or
  - (vi) a business facilitator or a business correspondent to a banking company or an insurance company in a rural area;
11. An organiser to any person in respect of a business exhibition held outside India.
12. A service provider located in non-taxable territory to -
  - (a) Government, local authority or an individual for non-commercial purpose
  - (b) Charitable Institution
  - (c) Person located in non-taxable territory
13. Service of public libraries of lending books, publications etc.
14. Services by Employees' State Insurance Corporation to persons governed under the Employees' Insurance Act, 1948.

15. Service by a governmental authority by way of any activity in relation to any function entrusted to a municipality under article 243 W of the Constitution.
16. Service of Life Insurance Business provided under the following schemes :
  - (a) Janashree Bima Yojana (JBY)
  - (b) Aam Aadmi Bima Yojana (AABY)
  - (c) Life Micro-Insurance Product as per IRDA Regulations, 2005.
17. Service provided by cord blood bank by way of preservation of stem cells or any other service in relation to such preservation. **[w.e.f. 17-02-2014]**
18. Services provided by a tour operator to a foreign tourist in relation to tour conducted wholly outside India **[w.e.f. 11-07-2014]**

**(B) Services Provided to specified category of Service recipients :**

1. **Services to an educational institution by way of transportation of students, staff or faculty, catering including mid-day meals scheme, security or clearing or house-keeping services, admission or conduct of examination [w.e.f. 11-07-2014]**
  1. United Nations or a specified International Organization.
  2. Recognised sports body by individual as a player, referee, umpire, coach or manager or by another recognised sports body.
  3. Government or local authority in relation to erection, construction, maintenance, repair, alteration, renovation or restoration of a civil structure, historical monument, pipeline conduit or residential complex for residential use of their employees or other persons.
  4. Government or local authority by way of repair or maintenance of vessel, and carrying out activity in relation to function entrusted to municipality in relation to water supply, public health, slum upgradation etc. **[w.e.f. 11-07-2014]**
  5. Government, local authority, charitable trust or an individual in relation to any purpose other than industry, business or commerce by a service provider located in a non-taxable territory.

**(C) Services provided by way of / in relation to :**

1. Renting of precincts of a religious place meant for general public.
2. ~~Technical testing or analysis of newly developed drugs on human participants by an approved clinical research organisation. [w.e.f. 11-07-2014]~~
3. Training or coaching in recreational activities relating to art, culture or sports.
4. Sponsorship of tournaments or championship organised by various sports federation, Universities, Sports Boards, Associations etc.
5. Erection, construction, maintenance, repair, alteration, renovation or restoration of road, bridge, tunnel or terminal for road transportation, building of charitable institution, pollution control or effluent treatment plant, electric crematorium.
6. Erection or construction or original works pertaining to airport, port or railways, single residential unit, low cost houses upto carpet area of 60 Sq. Mtrs., post-harvest storage infrastructure of agricultural produce, mechanized food grain handling system.

7. Temporary transfer of a copyright relating to original literary, dramatic, musical, artistic works or cinematograph films exhibited in cinemas / theatres.
8. Services by way of ~~renting of~~ hotel, inn, guest house, club, campsite, ~~or other commercial concerns~~ for residential or lodging purposes, having declared tariff of below Rs. 1,000/- per day. **[w.e.f. 11-07-2014]**
9. Transportation by rail or vessel of goods like relief material for victims of natural calamities or man-made disaster, defence or military equipments, newspaper or magazine, railway equipments, agricultural produce, **organic manure, cotton, ginned or baled** etc. **[w.e.f. 11-07-2014]**
10. Transportation by Goods Transport Agency of goods where Gross Amount charged does not exceed Rs. 750/- for single consignee or Rs.1,500/- otherwise, agricultural produce, foodstuff, newspaper/magazine, relief material, defense equipments, **organic manure, cotton, ginned or baled** etc. **[w.e.f. 11-07-2014]**
11. Services by way of giving on hire to state transport undertaking or to a goods transport agency.
12. Transport of passengers by air in to and from specified states of India or by a **non-airconditioned** contract carriage **other than radio taxi** but excluding tourism, conducted tour, charter or hire, ropeway, etc. **[w.e.f. 11-07-2014]**
13. General Insurance Service provided under various notified insurance schemes.
14. Carrying out intermediate production process as job work in relation to agriculture, printing, textile processing, cut and polished diamonds and gemstones or any goods on which duty is payable by the manufacturer or process of electroplating, zinc plating etc.
15. Making telephone calls from departmentally run public telephones, guaranteed public telephones for local calls, free telephone at airport and hospitals.
16. Slaughtering of animals.
17. Transfer of a going concern, as a whole or an independent part thereof.
18. Public conveniences such as provision of facilities of bathroom, washrooms, lavatories, urinal or toilets.
19. Services by way of loading, unloading, packing, storage or warehousing of rice, **cotton, ginned or baled** **[w.e.f. 11-07-2014]**
20. Service provided in relation to serving of food or beverages by a canteen maintained in a factory covered under the factories Act, 1948, having the facility of air-conditioning or central air-heating at any time during the year. **[w.e.f. 22-10-2013]**
21. Service received by RBI from outside India in relation to management of foreign exchange services **[w.e.f. 11-07-2014]**

**Note :**

'Government Authority' means an authority or a board or any other body (i) set up by an Act of Parliament or a State Legislature; or (ii) established by Government, with 90% of more participation by way of equity or control, to carry out any function entrusted to a municipality under article 243W of the Constitution.

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## Determination of Point of Taxation

Sr. No.	Service Completed on	Invoice Issued on	Payment Received on	Point of Taxation
1.	01-07-2012	10-07-2012	10-08-2012	10-07-2012
2.	01-07-2012	10-08-2012	10-09-2012	01-07-2012
3.	01-07-2012	05-06-2012	10-08-2012	05-06-2012
4.	01-07-2012	05-06-2012	05-05-2012	05-05-2012
5.	01-07-2012	05-06-2012	10-06-2012	05-06-2012

Determination of Point of Taxation in case of Reverse Charge  
(i.e., when service recipient is liable to pay tax) [w.e.f. 01-10-2014]

Sr. No.	Service Completed on	Invoice Issued on	Payment made on	Point of Taxation	Remarks
1.	30-09-2014	01-10-2014	30-11-2014	30-11-2014	Invoice date : on or after 01-10-2014 Payment made in 3 months POT
2.	30-09-2014	01-10-2014	31-03-2015	01-01-2015	Yes Date of Payment No Date following period of 3 months
3.	30-07-2014	31-08-2014	31-10-2014	31-10-2014	Invoice date : before 01-10-2014 Payment made in 6 months POT
4.	30-07-2014	31-08-2014	30-04-2015	31-08-2014	Yes Date of Payment No Date of invoice

## Determination of Date of Payment

Sr. No.	Date of entry in Books of Accounts	Date of credit in Bank Accounts	Date of Payment as per PoTR 2011	Remarks
1.	01-07-2012	10-07-2012	01-07-2012	Date of entry or Date of credit in bank, whichever is earlier
2.	31-03-2012	05-04-2012	31-03-2012	Change in rate of tax between two dates & Credit in bank is within 4 working days of change in rate
3.	31-03-2012	06-04-2012	06-04-2012	Change in rate of tax between two dates & Credit in bank after four working days of change in rate

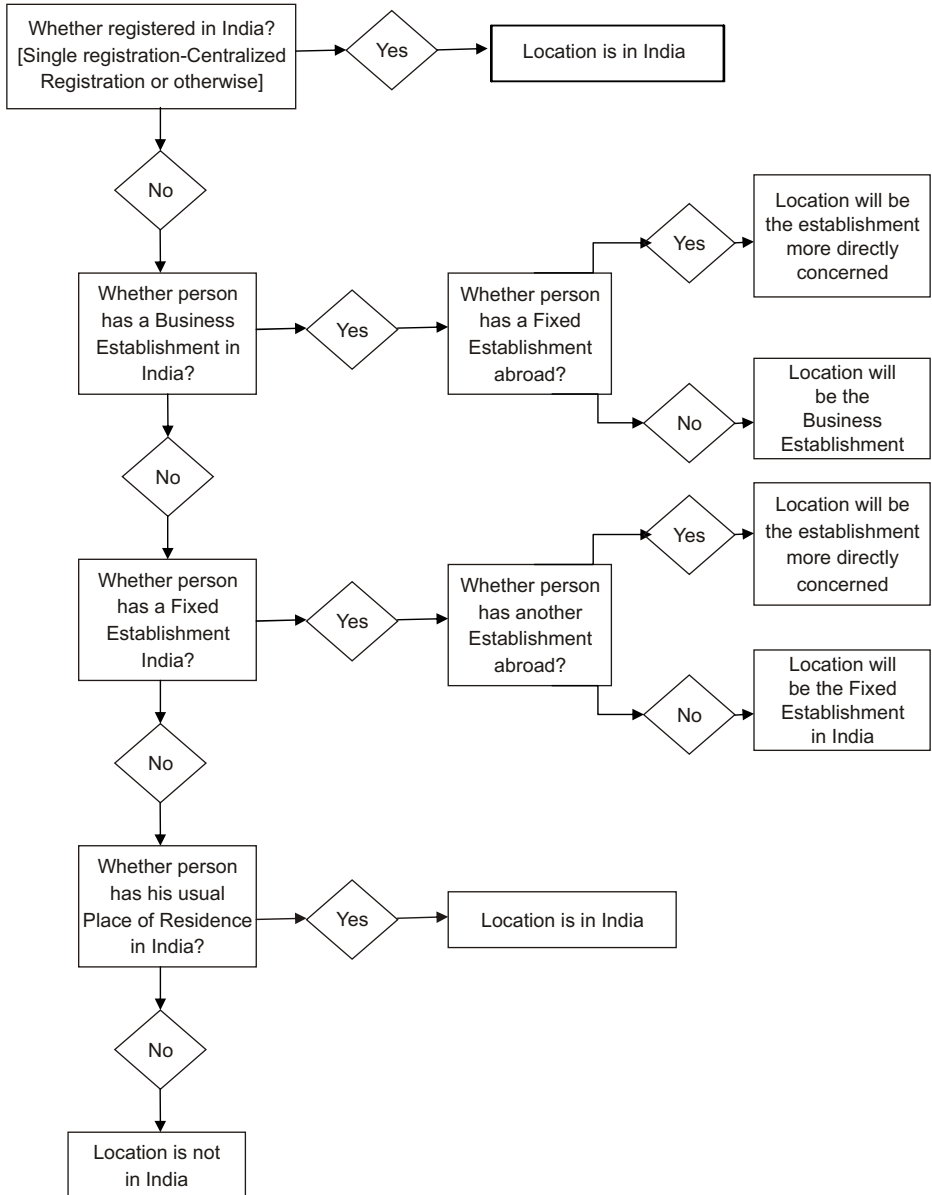
Rule No.	Particulars	Place of Provision
<b>Rule : 3</b> General Rule	General Rule	Location of Service Recipient
	If location of Service Recipient not available	Location of Service Provider
<b>Rule : 4</b> Performance Based Services	If goods required to be made physically available, by the service receiver to the service provider	Location where service is actually performed
	If services are provided from a remote location by electronic means	Location of the Goods
	Service in respect of goods temporarily imported into india for repairs and exported without being put to any use [w.e.f. 01-10-2014]	Location of service receiver
	Service requires Physical Presence of the service receiver or a person acting on behalf of the service receiver	Location where service is actually performed
<b>Rule : 5</b> Services related to Immovable Property	For e.g. services provided by experts and estate agents, provision of hotel accommodation by a hotel, inn, guest house, club or campsite, grant of rights to use immovable property, architects or interior decorators, etc.	Location of such immovable property
<b>Rule : 6</b> Services related to Events	For e.g. conventions, conferences, exhibitions, fairs, seminars, workshops, weddings, sports and cultural events etc	Location shall be the place where the event is held
<b>Rule : 7</b> Services provided at more than one location	Services provided at more than one Location This Rule is applicable only to services referred in Rule 4, 5 and 6	Location in the taxable territory where greatest proportion of service is provided
<b>Rule : 8</b> Provider and recipient are located in Taxable territory	Both service provider and service receiver are located in taxable territory	Location of Recipient of Service

## Place of Provision of Services Rules, 2012

Rule No.	Particulars	Place of Provision
<b>Rule : 9</b> Specified Services	i) Banking Company, Financial Institution, NBFC - To account holders ii) Online information, DB Access, Data Retrieval iii) Intermediary Services* iv) Hiring means of transport upto one month <b>including yachts, but excludes aircrafts &amp; vessels</b> <b>[w.e.f. 01-10-2014]</b>	Location of Service Provider
<b>Rule : 10</b> Goods Transport Service	Other than by way of Mail and Courier	Place of destination of Goods
	Goods Transport Agency	Location of person liable to pay Tax
<b>Rule : 11</b> Passenger Transport Service	Passenger Transportation	Location where Passenger embarks the conveyance for continuous journey
<b>Rule : 12</b> Service provided on board a conveyance	Intended to be wholly or substantially consumed while on board	First scheduled Point of Departure of the conveyance
<b>Rule : 13</b> Power to notify description / circumstances	To prevent double taxation or non- taxation, Cent. Govt. may notify any description of service or circumstance in which place of provision shall be the place of effective use of employment of a service	-----
<b>Rule : 14</b> Order of Application of Rules	If Place of provision of service is determinable in more than one rule	Rule that occurs later amongst the rules shall apply

\* **"intermediary"** means a broker, an agent or any other person, by whatever name called, who arranges or facilitates a provision of a service (hereinafter called the 'main' service) or a **supply of goods**, between two or more persons, but does not include a person who provides the main service or **supplies the goods** on his account. **[w.e.f.01-10-2014]**

## How to Determine Location ?





Sr. No.	Nature of Input Services	Eligibility for Manufacturer	Eligibility for Service Provider	Notes
1.	Service used for providing an output service.	N.A.	Yes	-
2.	Service used directly or indirectly in relation to manufacture of Final Product.	Yes	N.A.	-
3.	Service used directly or indirectly for clearance of Final Product upto the Place of Removal.	Yes	N.A.	-
4.	Service used in relation to modernization, renovation or repairs of a factory and office relating to such factory.	Yes	N.A.	-
5.	Service used in relation to modernization, renovation or repairs of a premises of output service provider and office relating to such premises.	N.A.	Yes	-
6.	Service used in relation to advertisement or sales promotion or market research.	Yes	Yes	-
7.	Service used in relation to storage upto the place of removal.	Yes	N.A.	-
8.	Service used in relation to procurement of inputs.	Yes	Yes	-
9.	Service used in relation to accounting, auditing, financing or recruitment and quality control, coaching and training.	Yes	Yes	-
10.	Services in relation to computer networking, credit rating, share registry, business exhibition and security.	Yes	Yes	-
11.	Service used in relation to inward transportation of inputs or capital goods and outward transportation upto the place of removal.	Yes	Yes	-
12.	Legal services	Yes	Yes	-
13.	Service portion in execution of a Works Contract.	No	No	1
14.	Construction Service	No	No	1
15.	General Insurance, Servicing, Maintenance and Repair of Motor Vehicle if Motor Vehicle is Capital Goods	Yes	Yes	2
16.	General Insurance, Servicing, Maintenance and Repair of Motor Vehicle if Motor Vehicle is not Capital Goods	No	No	3
17.	Renting of Motor Vehicle if Motor Vehicle is Capital Goods	Yes	Yes	2
18.	Renting of Motor Vehicle if Motor Vehicle is not Capital Goods	No	No	-
19.	Services which are primarily for personal use or consumption of any employee.	No	No	4

## **Eligibility of CENVAT Credit of INPUT SERVICES**

### **Notes :**

1.	Cenvat credit of above input services (Sr. No. 13 & 14) are available, if it is used for providing, a) Construction Services b) Works Contract services
2.	Cenvat Credit of the above input service (Sr. No. 15 & 17) are available for the following output services subject to the condition that Motor Vehicle is registered in the name of Output Service Provider .
2A.	Output Services, for which Motor Vehicle designed for transportation of goods is a capital Good (*): a) Service of Renting of such motor vehicle b) Service of transportation of inputs and capital goods used for providing an output service c) Service of courier agency
2B.	Output Services, for which Motor Vehicle designed to carry passengers is a capital Good (*): a) Service of Renting of such motor vehicle. b) Service of transportation of passengers. c) Service of imparting motor driving skills. * Motor Vehicle must be registered in the name of Output Service provider.
3.	Cenvat credit of the above specified service (Sr. No. 16) is available even if the Motor Vehicle is not Capital Goods as the definition of Capital Goods, when the above services used by: a) A Manufacturer of a Motor Vehicle in respect of Motor Vehicle manufactured by such person ; or b) An insurance company in respect of a motor vehicle insured or reinsured by such person.
4.	Services covered : a) Outdoor Catering b) Beauty treatment c) Health Service d) Cosmetic and Plastic Surgery e) Membership of club f) Health and fitness centre g) Life Insurance h) Health Insurance i) Travel benefits extended to employee on vacation

Sr. No.	Nature of Capital Goods	Eligibility for Manufacturer	Eligibility for Service Provider	Notes
1.	All the goods falling under :			
	Chapter 82 (Tools, Handtools, Knives etc.)	Yes	Yes	1
	Chapter 84 (Machinery and Mechanical appliance)	Yes	Yes	1
	Chapter 85 (Electrical Machinery, Equipment and parts etc)	Yes	Yes	1
	Chapter 90 (Measuring, checking, precision or testing instruments )	Yes	Yes	1
	heading No. 6805 grinding wheels and the like, and parts thereof falling under heading 6804 of the First Schedule to the Excise Tariff Act	Yes	Yes	1
2.	Pollution control equipment	Yes	Yes	1
3.	Components, spares and accessories of the goods specified in Sr. No.1& 2	Yes	Yes	1
4.	Moulds and dies, jigs and fixtures	Yes	Yes	1
5.	Refractories and refractory materials	Yes	Yes	1
6.	Tubes and pipes and fittings thereof	Yes	Yes	1
7.	Storage tank	Yes	Yes	1
8.	Motor vehicles (other than Motor vehicle for passenger and Goods Transportation, Motor Bikes) and their chassis but including dumpers and tippers	Yes	Yes	1
9.	Motor vehicle designed for transportation of goods including their Chassis	No	Yes	2
10.	Motor vehicle designed to carry passengers including Chassis	No	Yes	3
11.	Components, spares and accessories of motor vehicles which are capital goods for the assessee	Yes	Yes	-

## Eligibility of CENVAT Credit of CAPITAL GOODS

### Notes :

<b>1.</b>	<p><b>In case of Manufacturer :</b></p> <p>a) It should be used in the factory of Manufacturer of Final Product; or</p> <p>b) It should be used outside factory, for the generation of Electricity for captive use within factory. <b>BUT</b></p> <p>c) It does not include any equipment or appliance used in an office of Manufacturer.</p> <p><b>In case of Service Provider :</b></p> <p>a) It should be used for providing an output Service.</p>
<b>2.</b>	<p>a) It must be registered in the name of Service provider <b>AND</b></p> <p>b) Either it is used for providing output service of Renting of such motor vehicle or</p> <p>c) It is used for transportation of inputs and capital goods used for providing an output service; or</p> <p>d) It is used for providing an output service of courier agency</p>
<b>3.</b>	<p>a) It must be registered in the name of Service provider <b>AND</b></p> <p>b) Either it is used for providing output service of Renting of such motor vehicle or</p> <p>c) It is used for transportation of passengers; or</p> <p>d) It is used for providing an output service of imparting motor driving skills.</p>

### **Y** SEZ Developer or Unit Taxability / Refund Table

Period	Wholly Within SEZ	Wholly/ Partly outside SEZ
31-03-2004 to 02-03-2009	Complete Exemption	Chargeable to tax
03-03-2009 to 19-05-2009	Refund Mechanism	Refund Mechanism
20-05-2009 to 28-02-2011	Complete Exemption	Refund Mechanism
01-03-2011 onwards	Complete Exemption	Refund Mechanism in the ratio of Export Turnover to Total T/o

## Z

## 120 Services with Effective Dates

Sr. No.	Category of Service	Sub-Clause No.	Effective Date	Accounting Codes	
				Tax	Interest
1	Advertising Agency	e	01-11-1996	00440013	00440016
2	Air Travel Agent	l	01-07-1997	00440032	00440033
3	Airport Services	zzm	10-09-2004	00440258	00440259
4	Architect Services	p	16-10-1998	00440072	00440073
5	Asset Management Services	zzzcc	01-06-2007	00440018	00440019
6	ATM Operations, Maintenance or Management	zzzk	01-05-2006	00440346	00440347
7	Auctioneer's Services	zzzr	01-05-2006	00440370	00440371
8	Authorised Service Station Motor Car / Two Wheeler Light Motor Vehicle	zo	- 16-07-2001 01-07-2003	00440181	00440182
9	Banking & other Financial Services	zm	16-07-2001	00440173	00440174
10	Forex Broking	zzk	-		
11	Beauty Parlour Services	zq	16-08-2002	00440209	00440210
12	Broadcasting Services	zk	16-07-2001	00440165	00440166
13	Business Auxiliary Services	zzb	01-07-2003	00440225	00440226
14	Business Exhibition Services	zzo	10-09-2004	00440254	00440255
15	Business Support Services	zzzq	01-05-2006	00440366	00440367
16	Cable Operator Services	zs	16-08-2002	00440217	00440218
17	Cargo Handling Services	zr	16-08-2002	00440189	00440190
18	Cleaning Activity Services	zzzd	16-06-2005	00440318	00440319
19	Clearing & Forwarding Services	j	16-07-1997	00440045	00440046
20	Club or Association Services	zzze	16-06-2005	00440322	00440323
21	Commercial or Industrial Construction	zzq	10-09-2004	00440290	00440291
22	Commercial Training & Coaching Centre	zzc	01-07-2003	00440229	00440230
23	Construction of Residential Complex	zzzh	16-06-2005	00440334	00440335
24	Consulting Engineer Services	g	07-07-1997	00440057	00440058
25	Convention Services	zc	16-07-2001	00440133	00440134
26	Cosmetic and Plastic Surgery	zzzck	01-09-2009	00440460	00440463
27	Courier Services	f	01-11-1996	00440014	00440018
28	Credit Rating Agency	x	16-10-1998	00440088	00440089
29	Credit Card & Debit Card related Service	zzzw	01-05-2006	00440394	00440395

Sr. No.	Category of Service	Sub-Clause No.	Effective Date	Accounting Codes	
				Tax	Interest
30	Custom House Agency	h	15-06-1997	00440026	00440027
31	Design Service	zzzzd	01-06-2007	00440422	00440423
32	Development & Supply of Content Services	zzzzb	01-06-2007	00440414	00440415
33	Dredging Services	zzzb	16-06-2005	00440310	00440311
34	Dry Cleaning Services	zt	16-08-2002	00440221	00440222
35	Erection, Commissioning & Installation Services	zzd	01-07-2003	00440233	00440234
36	Event Management Services	zu	16-08-2002	00440197	00440198
37	Fashion Designing Services	zv	16-08-2002	00440213	00440214
38	Forward Contract Services	zzy	10-09-2004	00440282	00440283
39	Franchise Services	zze	01-07-2003	00440237	00440238
40	Games of Chance (including lottery)	zzzzn	01-07-2010	00440596	00440597
41	General Insurance Services	d	01-07-1994	00440005	00440006
42	Goods Transport by Road	zzp	01-01-2005	00440262	00440263
43	Health Club & Fitness Centre	zw	16-08-2002	00440205	00440206
44	Health Services by Hospitals or Medical Establishments	zzzzo	01-07-2010	00440598	00440599
45	Information Technology Software	zzzze	16-05-2008	00440452	00440050
46	Insurance Auxiliary Services - General Insurance Services	zl	16-07-2001	00440169	00440170
47	Insurance Auxiliary Services - Life Insurance Services	zy	16-08-2002	00440185	00440186
48	Intellectual Property Services	zzr	10-09-2004	00440278	00440279
49	Interior Decorator Services	q	16-10-1998	00440076	00440077
50	International Air Travel Service	zzzo	01-05-2006	00440362	00440363
51	Internet Cafe	zzf	01-07-2003	00440241	00440242
52	Internet Telephony Services	zzzu	01-05-2006	00440382	00440383
53	Investment Management Services Provided Under ULIP	zzzzf	16-05-2008	00440430	00440431
54	Legal Consultancy Services	zzzzm	01-09-2009	00440480	00440483
55	Life Insurance Services	zx	10-09-2004	00440185	00440186
56	Mailing List Compilation and Mailing	zzzg	16-06-2005	00440330	00440331
57	Maintenance of Medical Records	zzzzp	01-07-2010	00440601	00440602
58	Management Consultant Services	r	16-10-1998	00440116	00440117
59	Management, Maintenance and Repair Services	zzg	01-07-2003	00440245	00440246

Sr. No.	Category of Service	Sub-Clause No.	Effective Date	Accounting Codes	
				Tax	Interest
60	Mandap Keeper	m	01-07-1997	00440035	00440036
61	Manpower Recruitment Agency / Supply	k	07-07-1997	00440060	00440061
62	Market Research Agency	y	16-10-1998	00440112	00440113
63	Mining Services	zzzy	01-06-2007	00440402	00440403
64	Online Information & database Retrieval Services	zh	16-07-2001	00440153	00440154
65	Opinion Poll Services	zszs	10-09-2004	00440274	00440275
66	Outdoor Catering Services	zzt	10-09-2004	00440051	00440052
67	Packaging Activities	zzzf	16-06-2005	00440326	00440327
68	Pandal or Shamiana Services	zzw	10-09-2004	00440054	00440055
69	Photography Services	zb	16-07-2001	00440129	00440130
70	Port Services - Major Ports	zn	16-07-2001	00440177	00440178
71	Port Services - Other Ports	zzl	01-07-2003	00440177	00440178
72	Practising Chartered Accountant	s	16-10-1998	00440092	00440093
73	Practising Company Secretary	u	16-10-1998	00440100	00440101
74	Practising Cost Accountant	t	16-10-1998	00440096	00440097
75	Promoting a 'brand' of goods, Services, Events, ect.	zzzzq	01-07-2010	00440604	00440605
76	Public Relation Services	zzzs	01-05-2006	00440374	00440375
77	Rail Travel Agent	zz	16-08-2002	00440201	00440202
78	Real Estate Agent	v	16-10-1998	00440104	00440105
79	Recovery Agent Service	zzzl	01-05-2006	00440350	00440351
80	Registrar to an Issue	zzzi	01-05-2006	00440338	00440339
81	Rent - A - Cab Scheme Operator	o	16-07-1997	00440048	00440049
82	Renting of Immovable Property	zzzz	01-06-2007	00440406	00440407
83	Scientific and Technical Consultancy	za	16-07-2001	00440125	00440126
84	Security Agency / Detective	w	16-10-1998	00440108	00440109
85	Services of Permitting Commercial use or Exploitation of any Event	zzzrz	01-07-2010	00440607	00440608
86	Services provided by Air-conditioned restaurants	zzzzv	01-05-2011	00441067	00441068
87	Services Provided by Electricity Exchanges	zzzszs	01-07-2010	00440610	00440611
88	Cinematographic films and Sound recording	zzzzt	01-07-2010	00440613	00440614
89	Services related to Preferential location or Development of Complexes	zzzzu	01-07-2010	00440616	00440617
90	Share Transfer Agent Service	zzzj	01-05-2006	00440342	00440343

Sr. No.	Category of Service	Sub-Clause No.	Effective Date	Accounting Codes	
				Tax	Interest
91	Ship Management Services	zzzt	01-05-2006	00440378	00440379
92	Short-term accommodation	zzzzw	01-05-2011	00441070	00441071
93	Site Formation Services	zzza	16-06-2005	00440306	00440307
94	Sound Recording Services	zj	16-07-2001	00440161	00440162
95	Space or Time Selling Services for Advertisements	zzzm	01-05-2006	00440354	00440355
96	Sponsorship Services	zzzn	01-05-2006	00440358	00440359
97	Steamer Agent	i	15-06-1997	00440029	00440030
98	Stock Broker	a	01-07-1994	00440008	00440009
99	Stock Exchange	zzzzg	16-05-2008	00440434	00440435
100	Commodity Exchange	zzzzh	16-05-2008	00440438	00440439
101	Processing & Clearing House Services	zzzzi	16-05-2008	00440442	00440443
102	Storage & Warehousing Services	zza	16-08-2002	00440193	00440194
103	Supply of Tangible Goods for Use Services	zzzzj	16-05-2008	00440445	00440447
104	Survey & Exploration of Minerals Services	zzv	10-09-2004	00440270	00440271
105	Survey and Mapmaking Services	zzzc	16-06-2005	00440314	00440315
106	Technical Inspection and Certification	zzi	01-07-2003	00440249	00440250
107	Technical Testing & Analysis Services	zzh	01-07-2003	00440249	00440250
108	Telecommunication Services	zzzx	01-06-2007	00440398	00440399
109	Television & Radio Programme Services	zzu	10-09-2004	00440286	00440287
110	Tour operator	n	01-09-1997	00440063	00440064
111	Transport of Coastal Goods; and transported through Inland Water & National Waterways	zzzzl	01-09-2009	00440470	00440473
112	Transport of Goods by Air Services	zzn	10-09-2004	00440266	00440267
113	Transport of Goods in Containers by Rail Services including Government Railways	zzzp	01-05-2006	00440390	00440391
114	Transport of goods through Pipeline / Conduit	zzz	16-06-2005	00440302	00440303
115	Transport of Persons by Cruise Ship Services	zzzv	01-05-2006	00440386	00440387
116	Travel Agents (Other than Air & Rail)	zzx	10-09-2004	00440294	00440295
117	Under Writer Services	z	16-10-1998	00440084	00440085
118	Video Tape Production Services	zi	16-07-2001	00440157	00440158
119	Works Contract Services	zzzza	01-06-2007	00440410	00440411
<b>120</b>	<b>Other taxable services (Service other than 119 listed above)</b>	-	01-07-2012	00441480	00441481
	<b>Primary Education Cess</b>			00440298	00440299
	<b>Secondary &amp; Higher Education Cess</b>			00440426	00440427



# Jurisdictional Information-Ahmedabad

(w.e.f. 01-07-2012)

**Commissionerate Name : Service Tax Commissionerate, Ahmedabad.**

**Range / Division for New Assessee obtaining Registration**

<b>First Letter of the name of the Service Provider</b>	<b>Division</b>	<b>Range</b>
A, B	Div-I	Range-I
C, D	Div-I	Range-II
E, F	Div-I	Range-III
G, H	Div-I	Range-IV
I, J	Div-I	Range-V
K, L	Div-II	Range-VII
M, N, O, P	Div-II	Range-VIII
Q, R	Div-II	Range-X
S, T	Div-III	Range-XI
U, V, W, X, Y, Z and All Digits (e.g 1, 2,.....9)	Div-III	Range-XII

**For Example**

<b>Name of Service Provider</b>	<b>Division</b>	<b>Range</b>
M/s Deepak Enterprise	Div-I	Range- II
M/s Mahindra Courier Services	Div-II	Range-VIII
M/s 3M Security Services	Div-III	Range-XII

**For existing assessee**

All existing assessee will continue to be assessed in existing Range/Division and there will be no change in their existing Range/Division. Also, the existing assessee can add new services to existing registration by approaching the existing jurisdictional range officer.

**Division Address**

Division-I : 7th Floor, B. D Patel House, Naranpura, Ahmedabad.  
Division-II : 1st Floor, APM Mall, 100 Feet Road, Satellite, Ahmedabad.  
Division-III : 1st Floor, APM Mall, 100 Feet Road, Satellite, Ahmedabad.



# KMS ADVISORY SERVICES

## Management Consultancy Services

- Solutions to Core Management Problems
- Financial Advisory
- Business Valuation
- Management Assurance & Risk Review
- Family/ Business Arbitration
- Management Transition/ Trust Office

## International Taxation

- Compliance with Transfer Pricing regulations
- Filing of Ex-Patriate Returns
- DTAA related services

## RBI-FEMA Compliances

- Compliances related to purchase/sale of securities and directly to and from Residents and Non Residents in India and outside India (Procedure for FC-GPR and FC-TRS)
- Opening Branch Office / Liaison Office of Foreign Company

## Inbound/ Outbound Investments

- Setup of 100% Indian Subsidiary of a Foreign Corporation
- Setting up of Overseas Subsidiary of Indian Corporation

## Loan Syndication

- Feasibility Study of Projects
- Preparation of the Project Report
- Arranging for term loans from Banks
- Arranging for working capital limits
- Negotiation for better terms and reduction in cost of borrowing



## Compliances & Representational Services

- Service Tax
- Income Tax
- Excise & Customs
- GVAT & CST
- ROC Matters including LLPs

## Audit and Assurance Services

- System Audit
- Due Diligence Audit
- Internal Audit
- Compliance Review Report
- Forensic Audit
- Fraud and Investigation Audit

## Virtual CFO Services

### KHANDHAR MEHTA & SHAH

3rd Floor, Devpath Complex, Behind Lal Bungalow, Off C. G. Road, Ahmedabad - 380 006  
Ph: +91 - 79 - 2646 1526, 3000 3583 Fax : +91-79 - 6631 5450

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